

Ohio Medicaid Basics 2019



Zach Reat
 Health Policy Institute of Ohio
 Recorded Sept. 16, 2019



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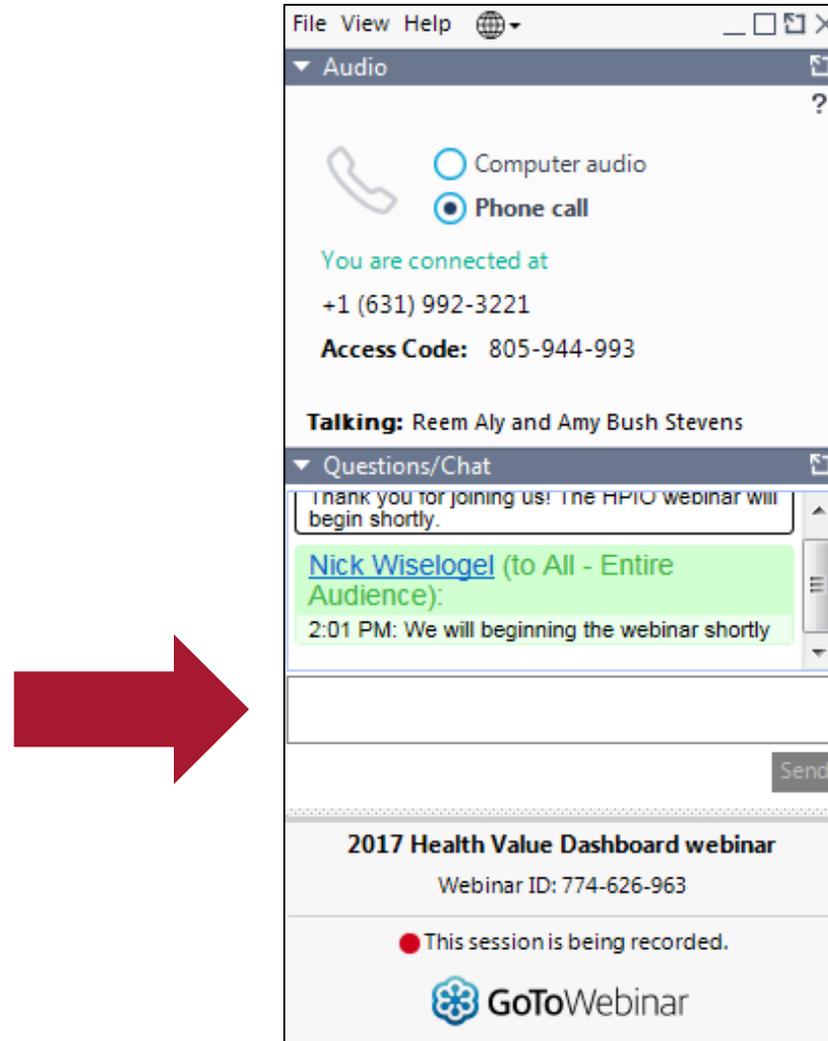
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Agenda

- Overview of *Ohio Medicaid Basics 2019*
- Budget update
- Managed care contract procurement

Guest speakers

Patrick Beatty

Deputy Director – Chief Policy Officer
The Ohio Department of Medicaid

James Tassie

Deputy Director, Managed Care Procurement, Ohio Department of
Medicaid

Poll question



Zach Reat

Director, Data Management and Analysis

zreat@hpio.net

Ohio Medicaid Basics 2019

Medicaid pays for healthcare services for about three million Ohioans with low incomes, including more than 1.2 million children. Medicaid spending accounts for more than one-third of Ohio's budget and almost 17% of health expenditures nationally.¹

This publication provides an overview of Ohio's Medicaid program, including eligibility, covered services, delivery systems, financing and spending.

Who is eligible for Medicaid coverage?

Ohio Medicaid pays for healthcare services for children, older adults, pregnant women, parents, childless adults and individuals with disabilities, all with incomes below a specific amount (see figures 1 and 2).² It is important to note that eligibility differs by state.

For most enrollees, the income eligibility limit is set as a percentage of the Federal Poverty Level (FPL) and eligibility is based on household Modified Adjusted Gross Income (MAGI).³ Some Medicaid eligibility categories, including Aged, Blind and Disabled (ABD), use different income counting rules and have resource limits (i.e., assets such as cash, stocks, bank accounts and property).

To be eligible for Medicaid in Ohio, a person must meet other requirements in addition to income limits. At a minimum, a person must have, or apply for, a Social Security number, be a U.S. citizen or meet Medicaid requirements for people who are not U.S. citizens (i.e., legal permanent residents, refugees and asylees)⁴ and be an Ohio resident.⁴

Figure 1. Federal poverty level (FPL), by household size, 2019

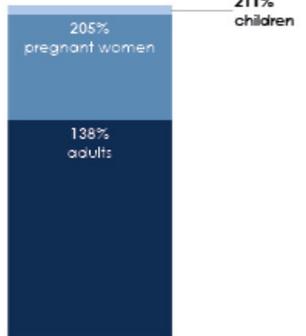
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Note: Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.).
Source: Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

3 key findings for policymakers

- Ohio Medicaid provides access to healthcare services for about three million low-income Ohioans, including many who cannot access or afford private or employer-sponsored health insurance.
- Medicaid represents a significant portion of government spending in Ohio. Federal reimbursements accounted for approximately 68% of total spending by Ohio Medicaid in state fiscal year 2018.
- To improve health value in Ohio, state policymakers need to balance Medicaid's critical role in providing access to health care with budgetary and administrative challenges.

Figure 2. Ohio Medicaid income eligibility thresholds for MAGI-categories, by FPL⁴, 2019



Source: Ohio Department of Medicaid

Ohio Medicaid Basics update

Recent trends in enrollment and spending

Medicaid pays for medical services for people with low incomes. The program is financed jointly by the federal government and states. Between 2008 and 2016, the uninsured rate for all Ohioans has decreased from 11.3 percent to 5.6 percent.¹ During the similar time period of State Fiscal Year (SFY) 2008 to SFY 2017, the number of people enrolled in Medicaid increased by 82 percent and spending increased by 86 percent.²

This is a brief update to the Health Policy Institute of Ohio's biennial publication, *Ohio Medicaid Basics 2017*. It provides new data about enrollment and spending during SFYs 2017 and 2018 and describes connections between enrollment and spending growth in Ohio's Medicaid program.

Enrollment changes during SFY 2017

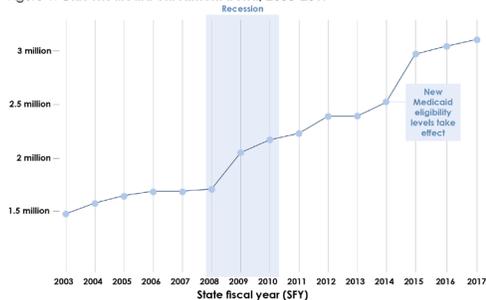
During SFY 2017, total average monthly Medicaid enrollment in Ohio increased by about 2 percent over SFY 2016, from 3.03³ to 3.09⁴ million people (see figure 1).

The Aged, Blind and Disabled (ABD) group accounted for most of this growth (see figure 2). The ABD group includes adults who are disabled, blind, or over the age of 65, and disabled children in families with low incomes.⁵ Enrollment among this population will continue to increase as older adults make up a larger proportion of Ohio's total population (see figure 3).⁶

During SFY 2017, enrollment in the ABD group increased by 60,895 adults and 32,185 children.⁷ Enrollment in the ABD-dual group—Ohioans eligible for both the ABD Medicaid group and Medicare—increased by 38,961 (see figure 2).

During the same period of enrollment, the Covered Families and Children (CFC) group decreased by 68,159 and Group VIII, which is sometimes referred to as the Medicaid Expansion group, decreased by 11,298. The CFC group includes children, pregnant women and adults in families with incomes below 90 percent of the federal poverty level (FPL) and Group VIII includes all Ohio adults, ages 18-64, with incomes under 138 percent FPL.

Figure 1. Ohio Medicaid enrollment trend, 2003-2017



Note: ODM caseload reports update each month to reflect retroactive and back-dated eligibility. SFY averages for 2012-2017 were retrieved from the January report for the end of the fiscal year.
Sources: 2003 - 2011 Ohio Department of Job and Family Services, Public Assistance Monthly Statistics reports; 2012-2017 Ohio Department of Medicaid (ODM), caseload reports

Ohio Medicaid Basics 2017

Introduction

Medicaid pays for medically necessary healthcare services for over three million Ohioans and is the primary source of coverage for low-income Ohioans who generally do not have access to or cannot afford other health insurance coverage. The program also pays for services for people who are elderly and disabled, including long term services and supports that are not covered by Medicare and most private health insurance coverage.¹ As a healthcare payer for one in four Ohioans, Medicaid enables improved access to care², as well as treatment of chronic health conditions (including mental health conditions), injuries, illnesses and addictions. Medicaid also pays for preventive care, prescription drugs and screenings.

While there is evidence that Medicaid coverage improves access to care³, it is important to note that overall health is influenced by a number of other factors. Research estimates that of the modifiable factors that influence overall health outcomes, 80 percent is attributed to non-clinical factors including our social, economic and physical environments, as well as our health behaviors, and only 20 percent is attributed to clinical care (see figure 1).⁴ This indicates that access to quality clinical care is necessary, but not sufficient, to improving overall health.

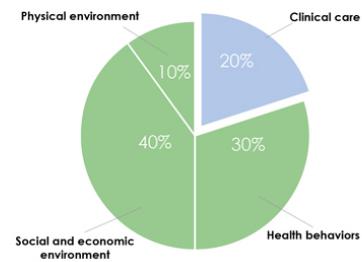
Medicaid and the U.S. healthcare system

Medicaid is financed jointly by the federal government and states, including some local-level funding to support the state share.

Medicaid accounted for 17 percent of U.S. total healthcare expenditures in 2015, making the program the second-largest payer of healthcare services in terms of total expenditures.⁵ Through Medicare, Medicaid and the Federal Employees Health Benefit Plan, the federal government is the largest payer for healthcare services in the country, and because of this, often drives change and industry innovation, particularly through new payment rates and models.⁶

At the state level, the Ohio Department of Medicaid (ODM) and the managed care plans under contract with ODM are important partners in payment reform initiatives led by the Governor's Office of Health Transformation (OHT) (see "Paying for value in Medicaid" beginning on page 10 of this publication).

Figure 1. Modifiable factors that influence health



Source: County Health Rankings and Roadmaps population health model

3 key findings for policymakers

- **Ohio Medicaid provides access to healthcare services for about three million low-income Ohioans**
- **Medicaid represents a significant portion of government spending in Ohio**
- **State policymakers need to balance Medicaid's critical role in providing access to health care with budgetary and administrative challenges**

OhioMedicaidBasics2019

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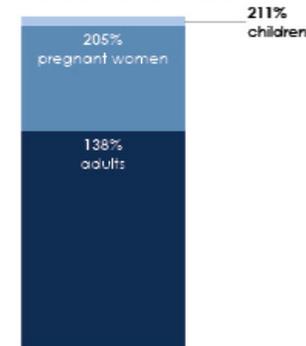
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Note: Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.)
Source: Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

3 key findings for policymakers

- Ohio Medicaid provides access to healthcare services for about three million low-income Ohioans, including many who cannot access or afford private or employer-sponsored health insurance.
- Medicaid represents a significant portion of government spending in Ohio. Federal reimbursements accounted for approximately 68% of total spending by Ohio Medicaid in state fiscal year 2018.
- To improve health value in Ohio, state policymakers need to balance Medicaid's critical role in providing access to health care with budgetary and administrative challenges.

Figure 2. Ohio Medicaid income eligibility thresholds for MAGI-categories, by FPL, 2019

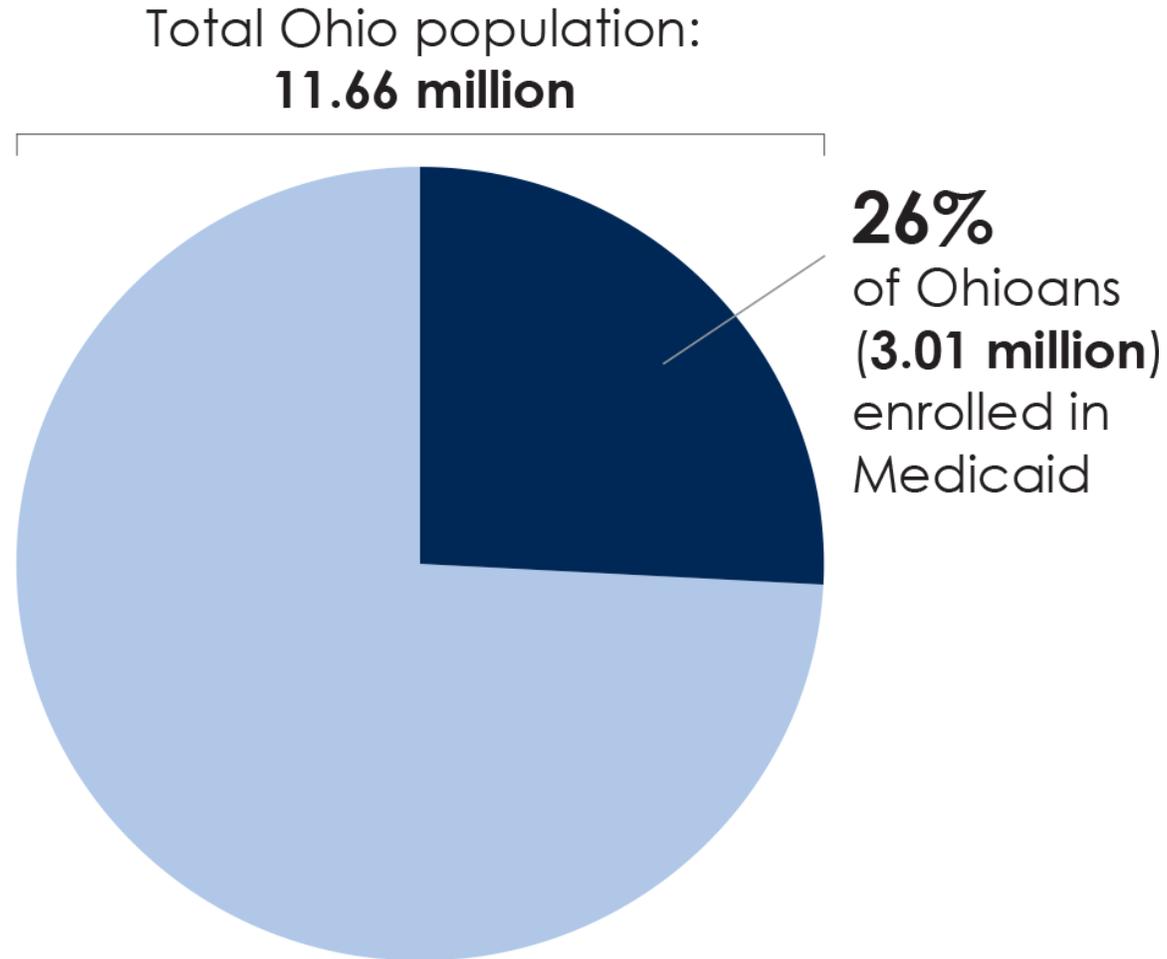


Source: Ohio Department of Medicaid

Covered groups

- Children
- Older adults
- Women who are pregnant
- Adults without dependents
- People with disabilities

Estimated percent of Ohioans enrolled in Medicaid, state fiscal year 2018

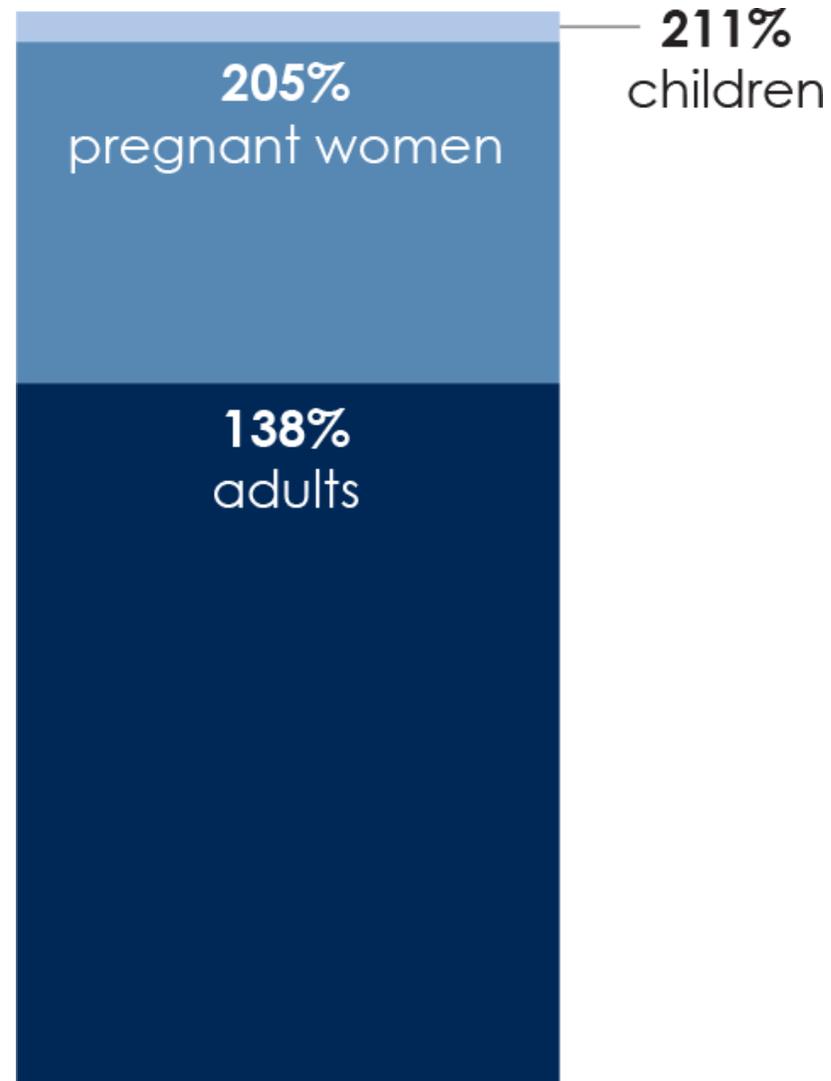


Sources: Ohio Department of Medicaid and U.S. Census Bureau, American Community Survey

Eligibility

- Income
- Assets, such as stocks, bonds, real estate
- Household size
- Disability status and medical conditions (in some cases)
- Residence (state)
- Citizenship/immigration status

Ohio Medicaid income eligibility thresholds for MAGI-categories, by percent of Federal Poverty Level, 2019



Source: Ohio Department of Medicaid.

Federal poverty level (FPL), by household size, 2019

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Source: Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

Federal poverty level (FPL), by household size, 2019

Scenario

- Four people in household
- Eligibility for children without other insurance (211% FPL)

	100%	138%	205%	211%
1	\$12,490	\$17,236	\$25,605	\$26,354
2	\$16,910	\$23,336	\$34,666	\$35,680
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Note: Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.)
Source: Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

Federal poverty level (FPL), by household size, 2019

Scenario

- Single adult without dependents
- Eligibility for adults without dependents (138% FPL)

	100%	138%	205%	211%
1	\$12,490	\$17,236	\$25,605	\$26,354
2	\$16,910	\$23,336	\$34,666	\$35,680
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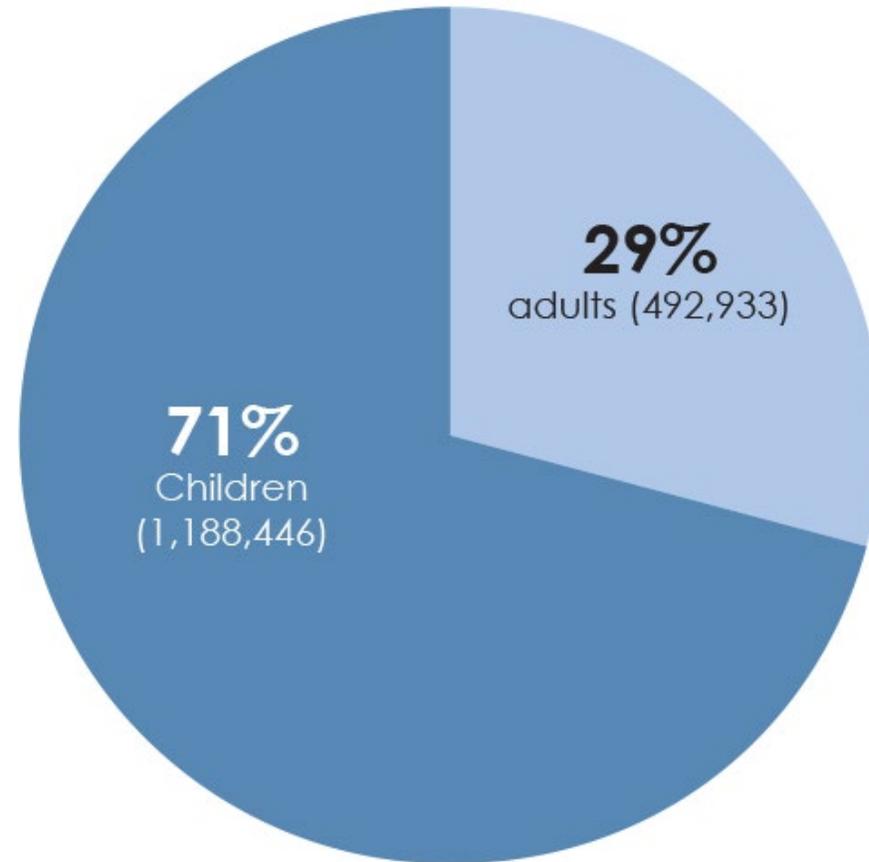
Eligibility

- Income
- Citizenship/immigration status
- Residence (state)
- Disability status and medical conditions (in some cases)
- Assets, such as stocks, bonds, real estate

Covered Families and Children (CFC)

- Children
- Pregnant women
- Parents

Ohio Medicaid Covered Families and Children enrollment for adults and children, SFY 2018

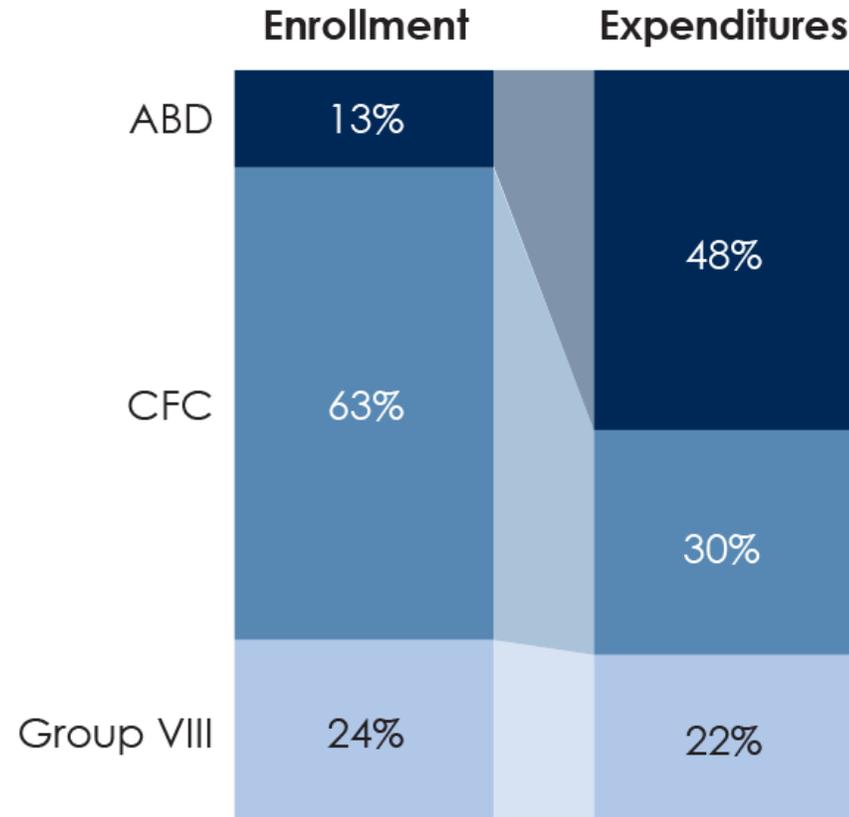


Source: Ohio Department of Medicaid. Additional analysis by HPIO.

Aged, Blind and Disabled (ABD)

- People over age 65
- People living with disabilities
- *Medicaid Buy-In for Workers with Disabilities*
- People who are eligible for both Medicaid and Medicare

Enrollment and expenditures by Medicaid eligibility category, state fiscal year 2016



Source: Ohio Department of Medicaid (via Ohio Legislative Service Commission)

Differences between Medicaid and Medicare

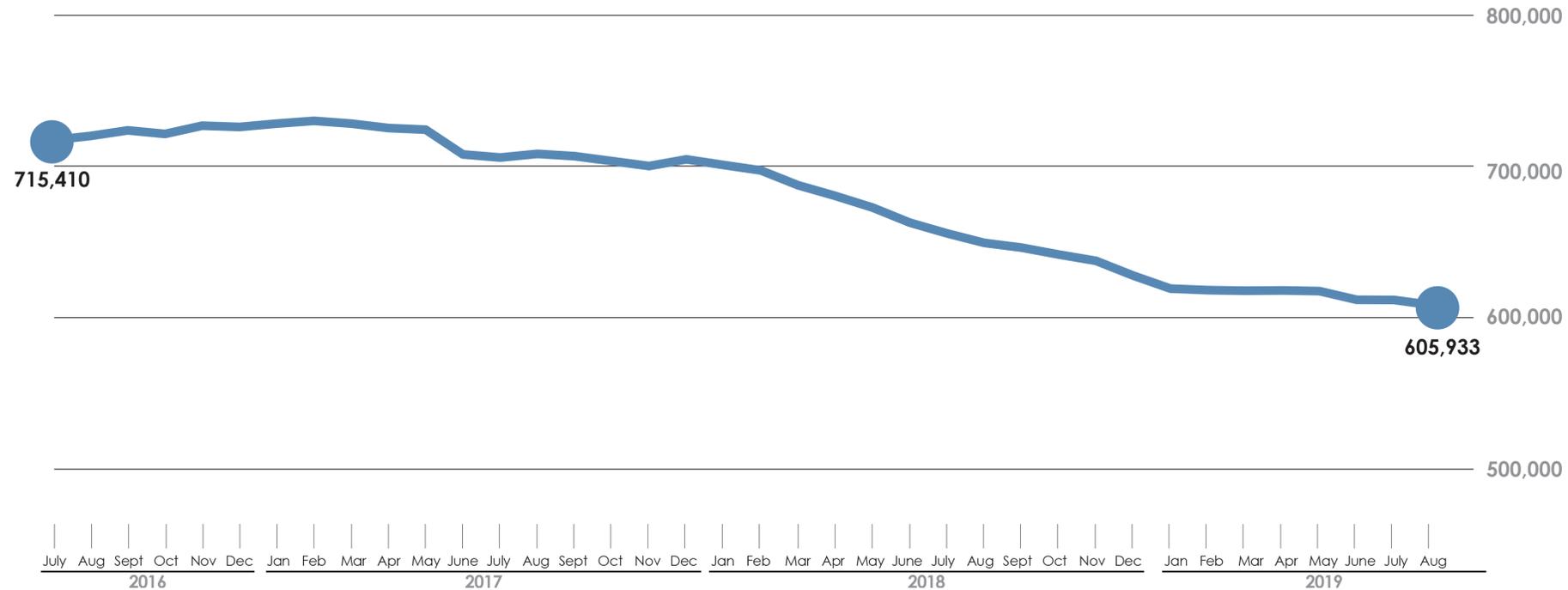
Medicaid

- Pays for care for Ohioans with low incomes
- Eligibility based on income and other factors
- Primary, acute and long-term care services and supports
- Federal and state funding
- Not funded by payroll deduction

Medicare²²

- Pays for care for nearly all Ohio seniors
- Eligibility based on age or disability status and work history
- Primary and acute care only
- Federal funding
- Funded by payroll deduction

Group VIII enrollment by month, July 2016-August 2019



Note: Enrollment numbers between March 2018 and February 2019 are preliminary and subject to change.

Source: Ohio Department of Medicaid caseload reports. July 2016 – June 2017 from report published June 2018; July 2017 – February 2019 from report published February 2019.

Other Medicaid

- Medicare Premium Assistance Program
- Breast and Cervical Cancer Project
- Alien Emergency Medical Assistance
- Presumptive eligibility

Ohio Medicaid Covered Services

Federally mandated services

- Inpatient hospital
- Outpatient hospital
- Early and Periodic Screening, Diagnostic, and Treatment Services (EPSDT)
- Nursing facility care
- Home health
- Physician services
- Lab and x-ray
- Family planning
- Nurse midwife
- Freestanding birth center services
- Tobacco cessation counseling for pregnant women
- Rural health clinic services
- Federally qualified health center services
- Transportation to medical care
- Certified pediatric and family nurse practitioners

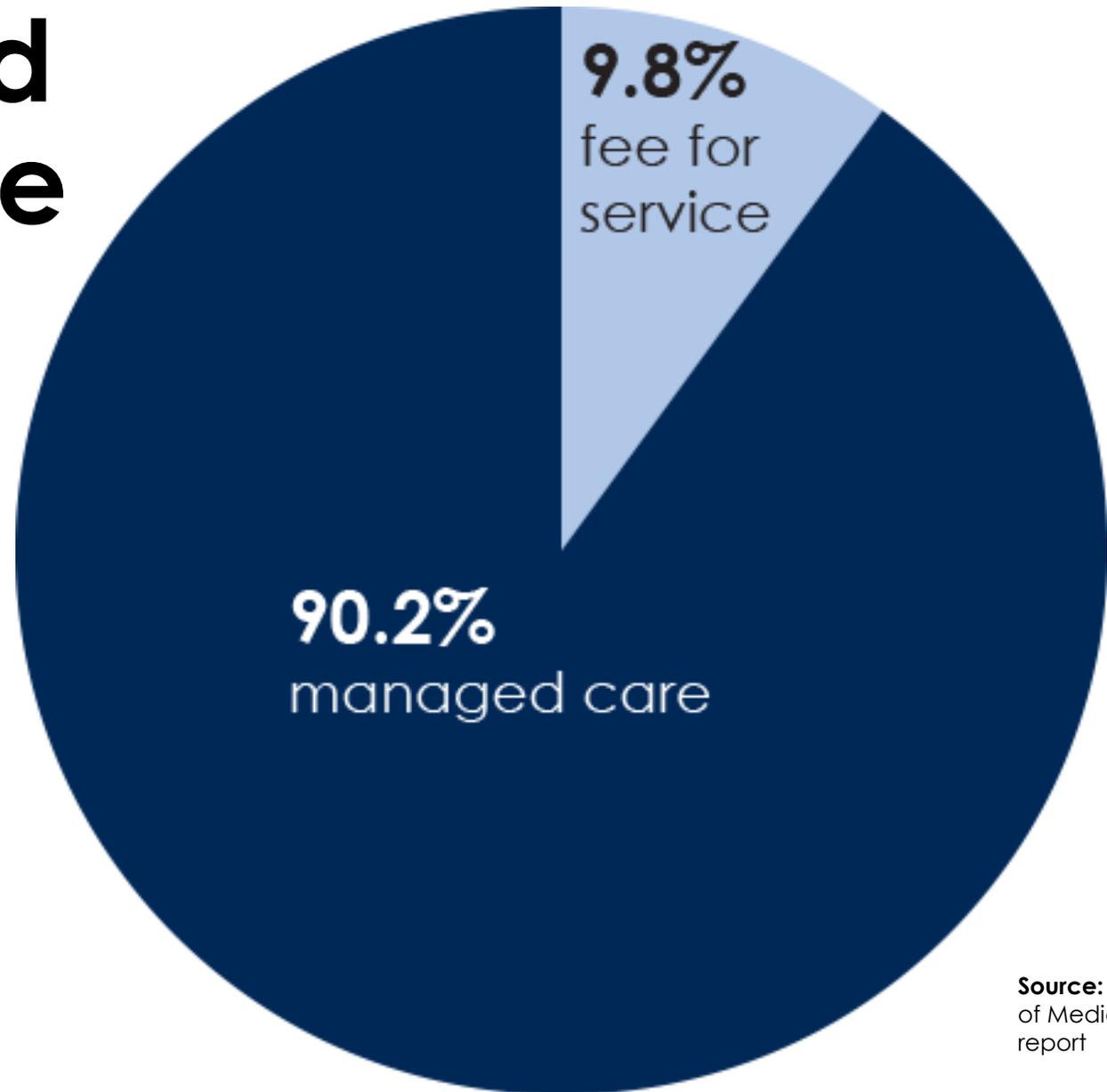
Ohio's optional services

- Ambulance
- Chiropractic services
- Alcohol and drug screening analysis
- Intensive outpatient (to treat addiction)
- Methadone administration
- Medical and surgical dental care
- Durable medical equipment and supplies
- Medical and surgical vision care
- Individual or group counseling
- Occupational therapy
- Physical therapy
- Podiatry
- Prescription drugs
- Private duty nursing
- Speech therapy
- Ambulatory surgical centers

Note: For more information and a complete list of Ohio covered services, visit medicaid.ohio.gov

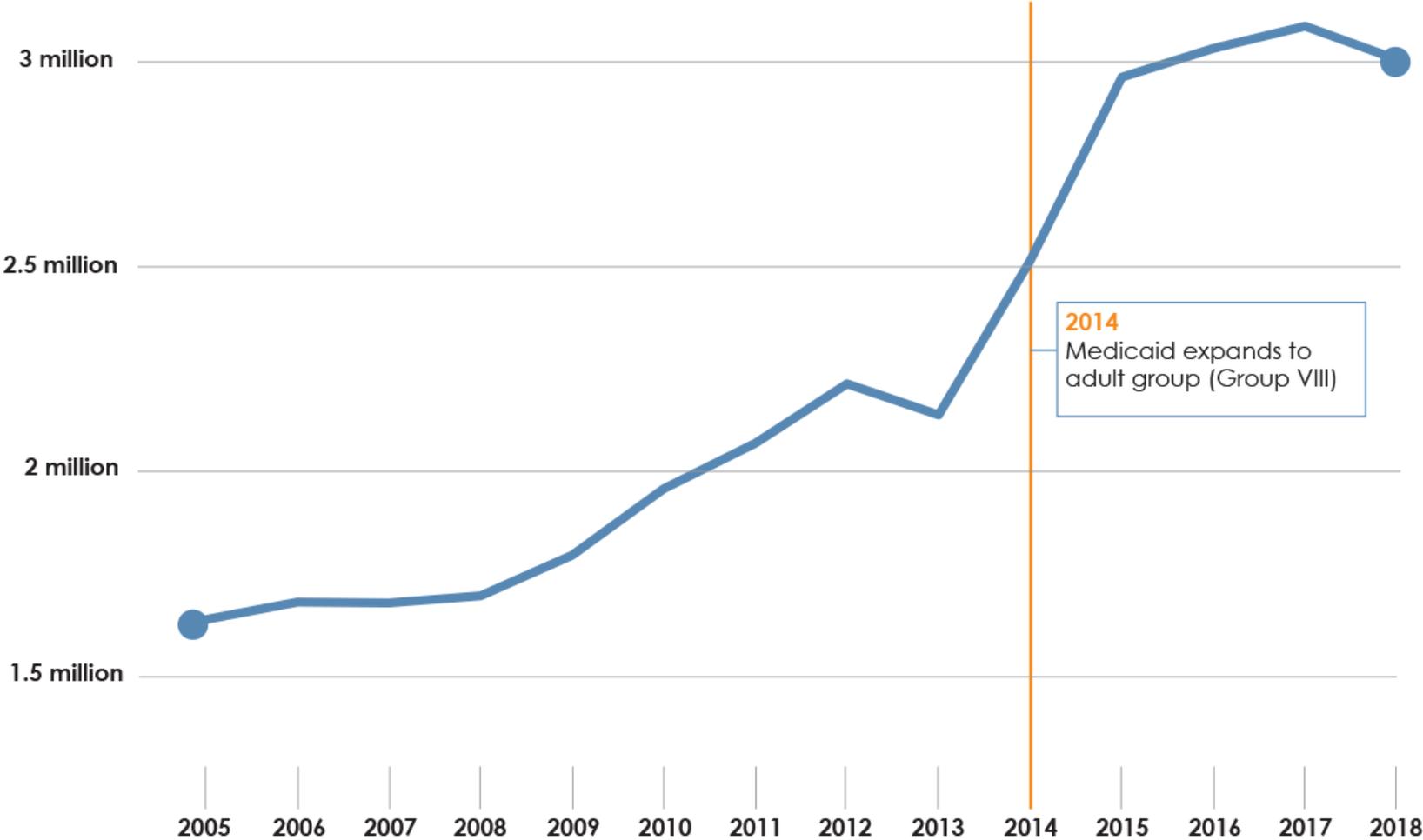
Source: Adapted from Ohio Department of Medicaid

Ohio Medicaid managed care enrollment, July 2019



Source: Ohio Department of Medicaid, Caseload report

Ohio Medicaid enrollment trend, SFY 2005-2018

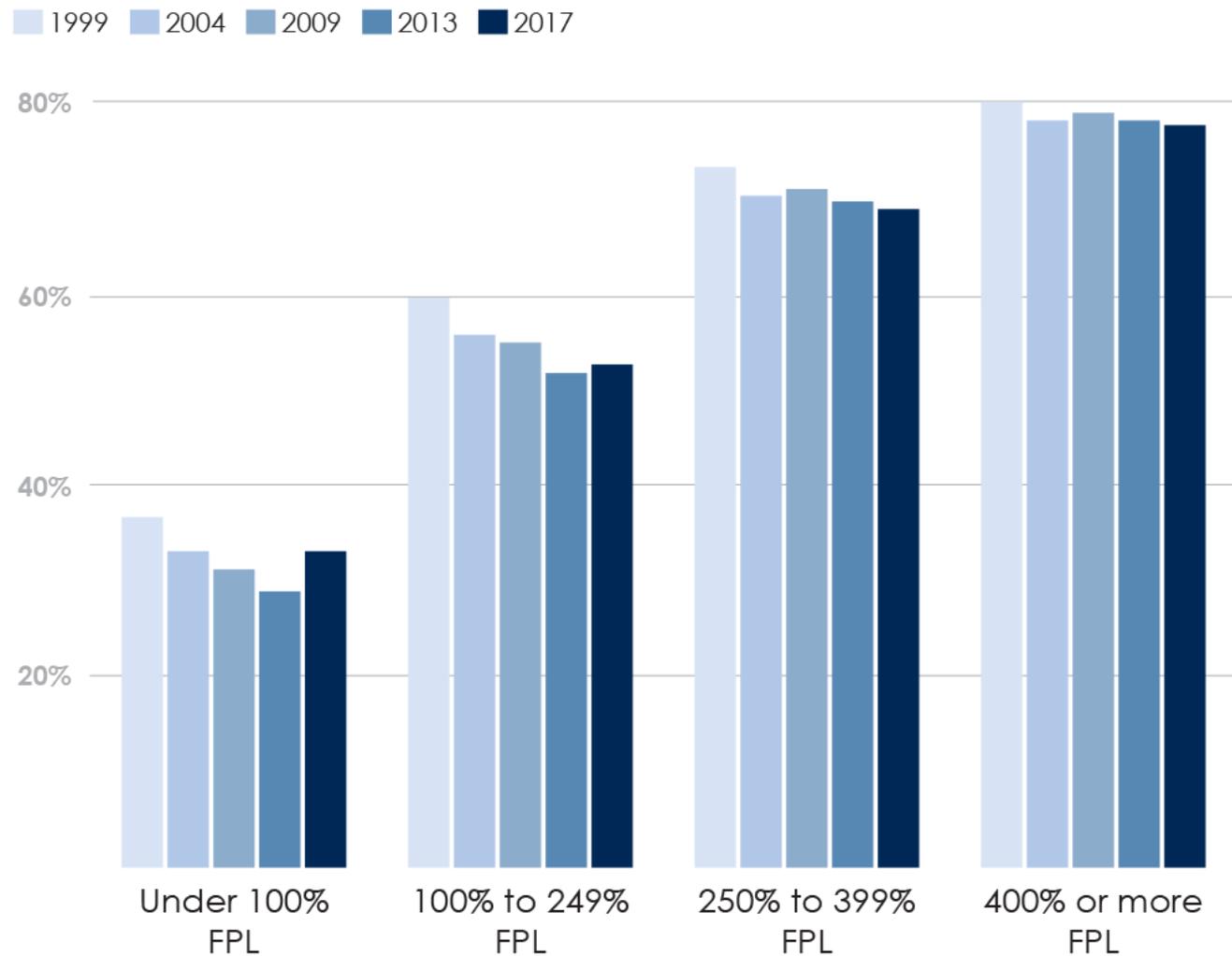


Sources: SFY 2005-2011 Ohio Department of Job and Family Services, Public Assistance Monthly Statistics reports; SFY 2012-2018 Ohio Department of Medicaid

Reasons people enroll in Medicaid

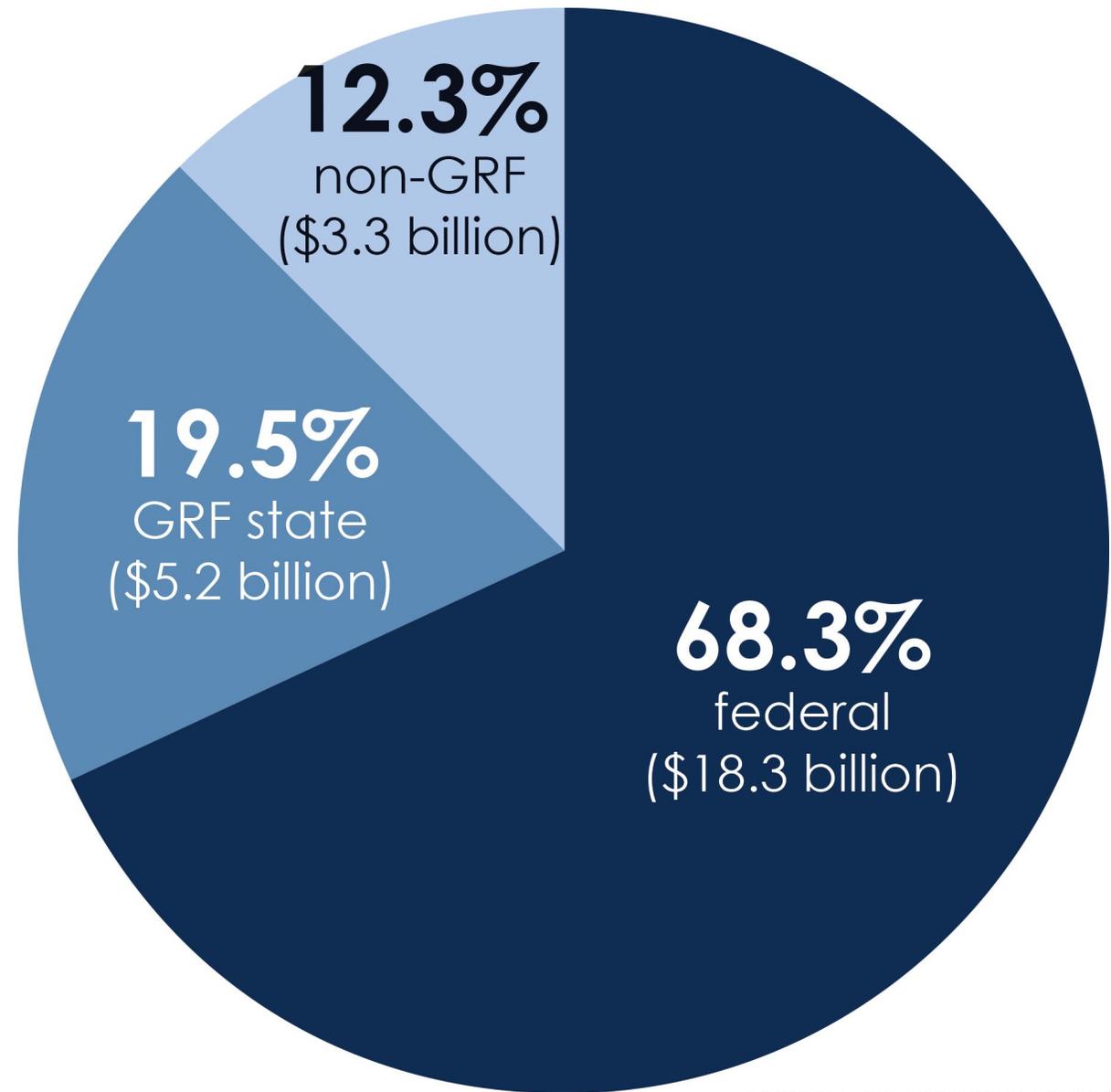
- Unemployment and other changes that impact coverage
- Price of individual (non-group) health insurance coverage
- Coverage for long term services and supports (LTSS)

Percent of non-elderly population enrolled in employer-sponsored insurance by percent of Federal Poverty Level, by year, 1999, 2004, 2009, 2013 and 2017



Source: Kaiser Family Foundation analysis of the National Health Interview Survey, 1999-2017

Ohio Medicaid spending, by source, state fiscal year 2019



source: Ohio Legislative Service Commission

Ohio Medicaid spending, in billions, state fiscal years 2008 – 2019

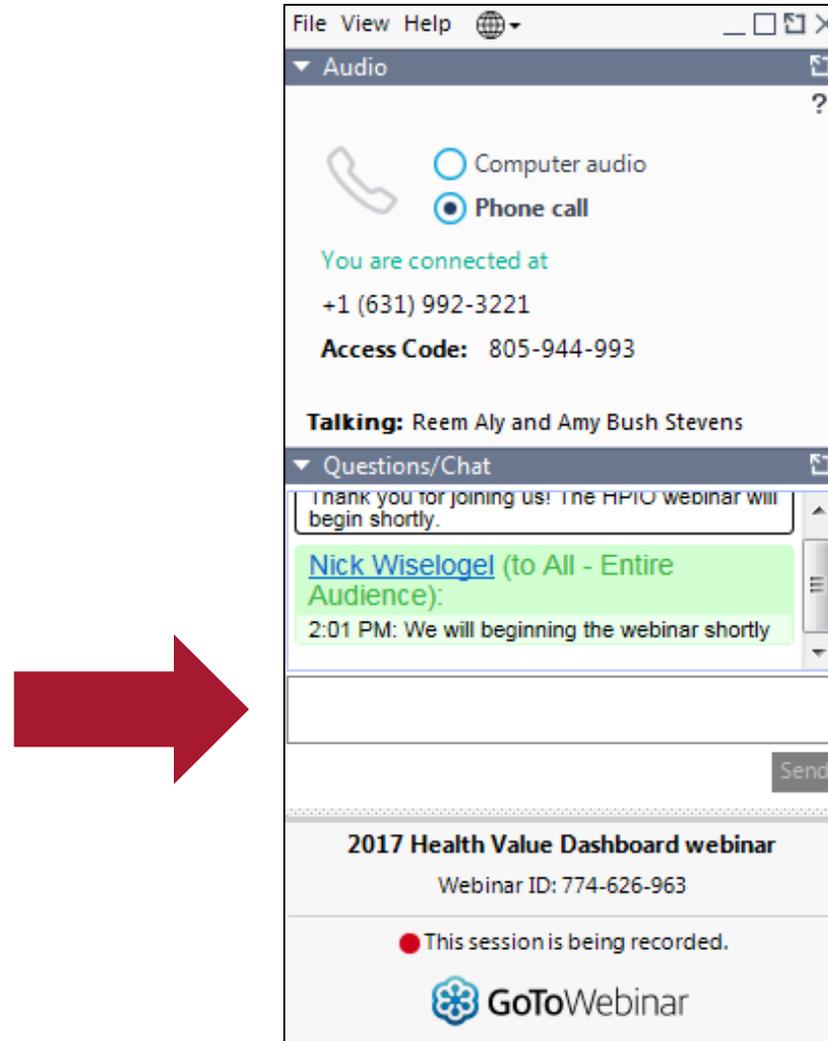


Source: Ohio Department of Medicaid (via Ohio Legislative Service Commission)

3 key findings for policymakers

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Budget provisions that impact the Medicaid program

Patrick Beatty

Deputy Director – Chief Policy Officer, The Ohio Department of Medicaid



Department of
Medicaid

Ohio Medicaid

Patrick Beatty
Deputy Director

HPIO Update
September 16, 2019

Ohio Medicaid: Who We Serve

- We provide health care coverage for nearly 3 million Ohioans who are served by a network of over 135,000 providers.
- Ohio Medicaid ensures health care access to low-income adults, children, pregnant women, seniors, and individuals with disabilities.
 - » Over half of Ohio births are covered by Medicaid
 - » More than 1.2 million children are served by Medicaid
 - » Approximately 36,000 children in foster care are served by Medicaid

Investing in Recovery

- Collaborate with the RecoveryOhio initiative, the Department of Mental Health and Addiction Services, the Department of Health, and other state and local entities to strengthen access to care and improve outcomes
- 1115 Substance Use Disorder Services Waiver

Sustainability, Quality, and Access

- Procurement of new managed care contracts
- Medicaid expansion work and community engagement requirements
- Modernize Medicaid's pharmacy program and implement a unified preferred drug list
- Develop a selection process and choose a new single Pharmacy Benefit Manager (PBM) by July 1, 2020
- Program performance, accountability and sustainability
 - » Increasing the Managed Care Withhold
 - » Updating the Member-Month Reconciliation Process

Investing in Kids

- Healthy Moms & Babies
 - » Continued infant mortality grants in 9 counties
 - » Developing maternal and infant support program, including home visiting
 - » Mom/baby dyad care for moms with SUD and babies with NAS
- Behavioral Health in Schools
 - » Hospitals can play a critical role in supporting health care, including BH in schools, particularly in underserved communities
- Support for Child Protection Transformation, Multi-System Youth
- Wellness for Kids through Comprehensive Primary Care (CPC)
- Lead Testing and Hazard Control

Pharmacy Changes in House Bill 166

- Single pharmacy benefit (PBM) manager
- Additional \$100 million for high Medicaid volume pharmacies
- Maximizing drug rebates through direct negotiations and increased transparency
- Prohibit specialty pharmacy steering by PBM
- Pilot program for pre-audit processing of pharmacy claims

Increase Pharmacy Transparency



- Unified preferred drug list
- Pass-through model
- Eliminating conflicts of interest
- Compliance auditing of PBMs
- Increased transparency in PBM contracts
- Enhanced data analytics
- Promoting safe and effective use of medications

Behavioral Health Payment Rates

- Services with adjusted Medicaid payment rates effective August 2019:
 - » Crisis Services for mental health (MH) and substance use disorders (SUD)
 - » Group psychotherapy and group therapeutic behavioral services (TBS) for MH, and group counseling for SUD
 - » Evaluation and management services and psychiatric diagnostic evaluations rendered by clinical nurse specialists, certified nurse practitioners, and physician assistants will be increased from 85 percent to 100 percent of the Medicaid maximum rate
- Payment rate updates apply to community BH providers as well as the Outpatient Hospital Behavioral Health (OPHBH) benefit.
- Services added to the BH benefit package effective August 2019:
 - » Smoking cessation counseling
 - » Pregnancy testing (for providers with CLIA waived test certification)

Medicaid managed care contract procurement process



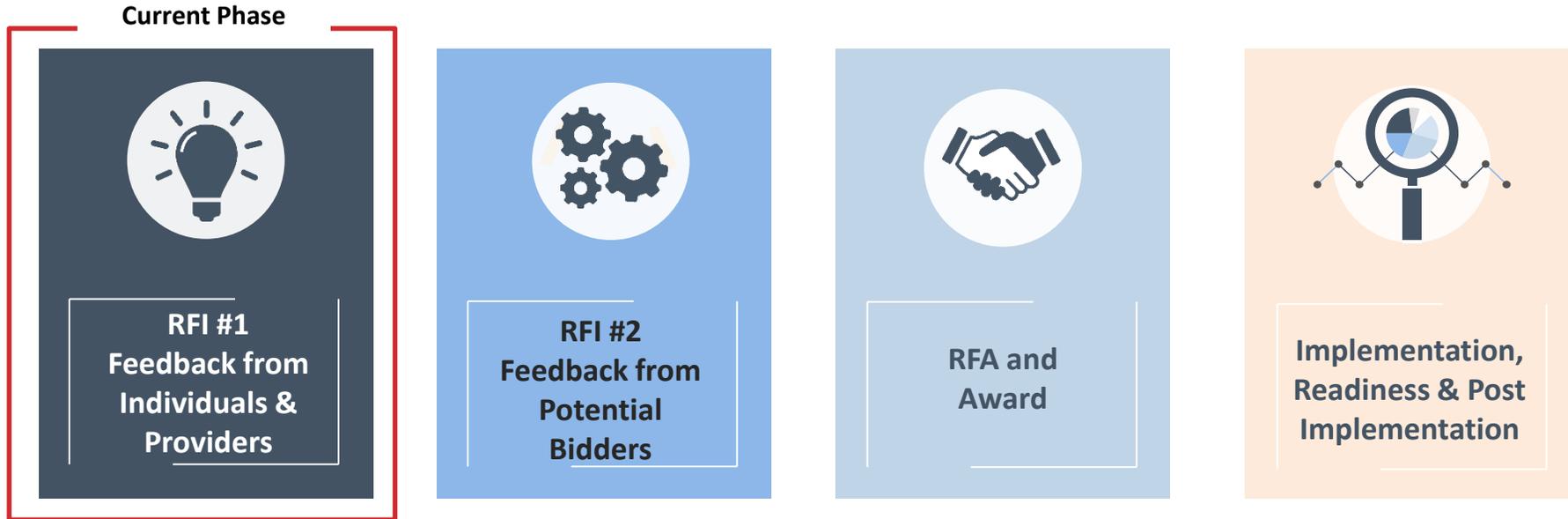
James Tassie

Deputy Director, Managed Care Procurement,
Ohio Department of Medicaid

Focus on the
INDIVIDUAL
*rather than the
business of
managed care*

We want to do better for the people we serve

Medicaid Managed Care Procurement Project Phases



◆—————◆
We will work with individuals & providers in each stage.

**Gather input and
feedback from
individuals and
providers first**

**Gather input on
capacity to
address potential
changes, based on
feedback from
individuals and
providers**

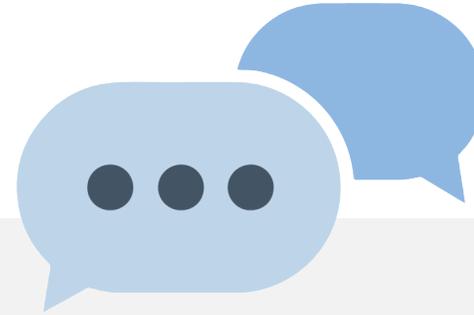
**Communicate
major milestones**

**Collaborate to
ensure a smooth
implementation
and understand
experience post
implementation**

We Want to Hear From the Individuals We Serve

We are doing things differently.

- ✓ Engaging stakeholders early in the process
- ✓ Listening to individuals and providers first
- ✓ Providing many ways for stakeholders to share input



1

IDEAS

We want to hear your ideas and solutions.

2

PERSPECTIVE

What is your experience with the current managed care program? What works and what doesn't?

3

FEEDBACK

What else should we be thinking about?

How Can You Help?

There are various ways you can provide input – and encourage individuals to share their experiences with us



Register now

HPIO forum

Promoting Healthy Behaviors and Personal Responsibility: Politics, Perceptions and Health

Wednesday Oct. 2 – Columbus

For more information or to register, visit

www.hprio.net/events

Questions?

Poll question

Download the complete “Ohio Medicaid Basics 2019” policy brief at <https://bit.ly/2w1EO30>

